The All-India Village Industries Association

MAGANVADI, WARDHA

A PLAN

FOR

RURAL DEVELOPMENT

BY

J. C. KUMARAPPA

NAGPUR

GOVERNMENT PRINTING, C. P. & BERAR

1946

[Price—Re. 1-0-0]

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PREFACE

The advent of popular ministries at a time when the country is facing famines and shortage in primary consumption goods may prove a blessing provided advantage is taken of the situation to launch a countrywide programme to increase the productivity of the people in selected channels so as to meet and make good the deficiencies. To be effective such a programme has to be uniform throughout the land and well co-ordinated between the provinces. Patchwork schemes and isolated desultory attempts will not carry us far. In order to facilitate consultation and discussion between the cabinets of the various provinces, a Conference of Ministers was held at Poona on the 31st July and 1st August 1946.

The first section is an edited summary of my speech with which I opened the discussion on the Memorandum on Governmental Functions which latter had been circulated among the ministers previously.

The second section is also a summary of a speech by me concluding the discussions.

The Memorandum itself is given as the third section followed by a copy of the resolution passed at the Conference.

As there has been a great demand for the materials put together in this pamphlet, it is being published in book form for the convenience of the public.

Now that the Central Government also will function under the direction of our national leaders, may we hope that this resolve to plan for the economic development starting with an attempt to strengthen the body with a balanced diet and to provide all primary needs of the people will materialise in no distant future.

This approach to planning is both simple and inexpensive. Being broad-based it is calculated to bring relief to the masses in the shortest possible time. This can be the surest method of combating black marketeering, inflation and the ration muddle. The conditions in the country will brook no delay. We trust the popular ministries will take immediate steps to implement their resolution and thus fulfil the promises held out to their electorates.

MAGANVADI, WARDHA, C. P.: J. C. KUMARAPPA.
The 27th August 1946.

A REFERENCE

For a fuller Programme and schemes with detailed estimates in regard to the industries mentioned in this memorandum reference may be made to—

(1) The Report of the Industrial Survey Committee of the Government of the Central Provinces and Berar (under the chairmanship of Sjt. J. C. Kumarappa), Parts I and II.

(2) A Plan for the Economic Development of the North-West Frontier Province by J. C. Kumarappa. (Industries Department, Secretariat, Peshawar.)

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A PLAN FOR RURAL DEVELOPMENT

SECTION I.—THE NEED AND NATURE OF PLANNING

When we plan, what is it that we plan for? Many people think that national planning is a very intricate matter to be understood only by technicians and experts. Planning will have no life if the man in the street does not understand what you are planning for. You cannot call it national planning if the farmers do not comprehend the purpose of it and lend their wholehearted support to the carrying out of the plan. Unless we are able to get that intellectual understanding we shall not be able to carry through our plan, except by tremendous violence as has been done in Russia. We do not want bloodshed to carry out our plan. The people should understand whether or not what is laid before them is to their interest. If they approve of it we shall have their willing co-operation.

What is Planning

Planning means the getting together of certain factors to serve an end. Now, what are the factors in India that we have got to get together? There may be factors today in our plans that do not exist in other countries. Therefore, the plan that Russia has taken or the plan that England or America has followed need not necessarily be the same that will lead up to our goal. When the plan of Great Britain is mentioned it will cause astonishment. People have never heard of it. The British do not plan but they work to a plan. That is their genius. They get every man to work to a certain plan. Were there no plans there would be no British Empire today and there would be no British trade. So, the whole of their financial schemings and imperial preferences, the fleet, and the shipping policy—all these make the plan. It may not be a national plan; it may be a London centred plan, or may be a Bank of England centred plan; but it is a plan all the same. Therefore, all these plans whether it is the Soviet Plan, or the American Plan, or the British Plan—they all have certain factors for their background. If these factors do not exist in our country and those circumstances do not hold good here at present, and yet if we plan on the same lines as they had done, then we shall surely fail.

The Aim

When the Russians planned, Russia was under the Czarist regime. The aristocrats were rolling in wealth and the peasants were extremely oppressed. Naturally, the

peasants said: "When we come into power, we must be rolling in wealth." Rolling in wealth means satisfying a multiplicity of wants—palatial houses, plenty of material goods, pleasures and the rest of it—and they made that their goal and they worked towards that. Their plans took roots in that soil.

When we plan for our country, our plans likewise must be rooted in the conditions that prevail in our land. We have got to keep in mind the picture we have got of our poverty. To give you an idea of the poverty in India, I will give you an instance, which will probably fix that picture in your mind. Last time when the Congress Ministry was in the saddle in the Central Provinces, they wanted an economic survey of the Province made. We surveyed about 600 villages. We wanted to do the survey in as simple a way as possible. We were going from village to village on foot. I had about 10 or 12 college students with me. As we were walking over in this way on a moonlit night, at a distance I saw something in the shadow among the shrubs. So, I said to some of the boys: "What is this? Is it a jackal or something else?" One of the boys said: "It looks like a human figure crouching on the ground. Let us move round and find out what it is." We got there, and what do you think it was? It was an old woman, with hardly any rags on her, and she was picking up grass seeds. I asked the boys to find out from her why she was picking up grass seeds. She said, "I have nothing to eat. This is all I can get." She boils the grass seeds and eats the gruel. That is the picture of poverty you have got to keep in mind. We do not want to make miles and miles of cement roads or tons and tons of steel. The people interested in that have the capacity to look after themselves. If you want to look after anyone, look after this woman.

In India, to what end is it that we want to plan? It has been repeatedly stated that we want to remove poverty. Poverty again is a term which requires definition. Poverty, somebody said, is inability to meet your wants. But what is your want? Is a Rolls-Royce car a want? If you cannot meet that want, are you poor? If a lady wants a lip-stick and has not got enough cash to purchase it, is she poor? There are wants which are primary needs, and there are also wants which are artificially created. There are wants without satisfying which a human being cannot live; they are needed for the expressing of his personality and for the existence of his physical body. These are the natural wants we shall endeavour to supply, not the artificially created wants.

What is the greatest of primary needs? First comes food. You may go without clothing, but you cannot go without food. In our country we are having not occasional famines, but repeated famines, and, therefore, the primary factor in our plan must be the attempt to meet that situation. Food and the prevention of famines; how are we going to achieve that? What are the means by which we shall achieve it? Is it by application of capital? Many people come out and say: "You apply capital, and then your results will be so much more." Learned economists have worked out the amount of capital to be applied and the percentages of increased production that will result from it, as if we have only to pour capital into the fields before they come up in crops! That cannot be the case.

The Means

In our country, the tremendous factor for production is human labour. If we wish to meet our needs we have got to utilise this enormous factor for producing commodities to satisfy hunger.

Here again we have to bear in mind that our plan concerns not merely a few people but every citizen in this country. The plan that we propose, if it is to be a satisfactory plan, must touch every living person in India. A broad-based plan like that, in a poverty-stricken country as ours where finance is not available, cannot be based on the presumption that capital is available. Hence any plan based on the availability of capital is out of court in India, and any plan that leaves out the primary need of supplying food is also out of court, and any plan that omits to take note of the factor of Indian labour wealth cannot be a proper plan for India. The Western plans are material centred. That is to say, they want to exploit all resources. To what end? That they were not sure of. Tables and chairs do not satisfy our primary needs. The history behind the Soviet Plan and why that plan took that shape are interesting studies. It is a matter of economic history. The Soviet Plan, the American Plan, all such plans have a correlation to the soil from which they shot up.

You can do many things in different ways, but the goal will determine the methods to be adopted. I have been travelling in the last few months from Colombo to Kabul, and I have seen different types of methods and policies used by different governments and the resulting conditions of the people in different lands. Here is a picture that you want also to keep in mind. As I was travelling in Ceylon, many people asked me: "What can we do to gain our

independence?" I was naturally interested in the economic side of it as independence and economics go together. I told the Ceylonese: "Before you can gain independence, you must be capable of maintaining your independence. Therefore, tell me what you grow, what you import and what you live on." They said: "We live on rice. All the rice comes from Burma and Siam. We are clothed from yarn brought from Canadian mills. We grow rubber, tea and coffee and we export all these." Then I said: "The first thing that you can do to gain your independence is to get your digestion accustomed to eating rubber. Unless you do that, you cannot be independent. And the second thing you can do is to invent some method of making clothing out of tea leaves. Otherwise, you cannot be clothed, because one dreadnaught at the harbour of Colombo will make you go naked and starve you to death. In primary necessities you have to be independent."

It is said that the world is getting smaller and smaller, and no one could become self-sufficient. Yes, the world is becoming smaller and smaller. But again let us define our terms. By communications, by physical means, it is becoming smaller and smaller. But is it becoming smaller and smaller humanly speaking and morally speaking? Is one nation near another? Is Germany nearer England? Is Germany nearer America than she was before? They are drifting further and further away from each other. We are talking in terms we are not clear about. Self-sufficiency is a means to draw the world nearer and nearer. Self-sufficiency is a cohesive force, a magnetic force, with which only the world can be brought together into one unit. Therefore it is that we suggest that self-sufficiency in primary needs has the function of bringing about fellowship amongst human beings. We have to understand that. We should not be led away by the kind of propaganda that is put out nowadays. When we are planning for self-sufficiency, we are minimising the danger of foreign nations coming to oppress us.

Then, after I left Colombo and Ceylon, I went to Kabul, right up at the other end. Ceylon is a Crown Colony. Therefore, the economic planning of Ceylon comes from London. It is London centred planning that holds Ceylon in its grip. It is not calculated to feed it. When we reach Kabul it is a different story. It is a "backward country", because it does not follow Ceylon's economic philosophy. It is a backward country, because it does not have railways, motor cars, telegraphs, roads and so on in plenty. I do not know if any of you have been in the Frontier. In the Frontier the roads are some of the

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best in the world. I think probably you may get their like only in the United States of America. I doubt whether you can get their like even in England. Roads of that type were not in England, at least, in my student days there. The roads are so laid down that were you to take a turn you can take the turn at 25 or 30 miles an hour. Crores of rupees have been spent on these roads. There are also railways there. For these reasons India is considered a "developed country" and Afghanistan a "backward country". There is a barrier across the road at Torkam and at the barrier there is a British sentry. He is walking with a pointed bayonet. He is in a fine uniform with polished buttons and shoes. On the other side there is an Afghan soldier with his *Shalwar* and his Pathan chappals. He also looks like the British soldier, but with this difference, that he has not the washed and ironed coat or the shining brass buttons. He has only a label on the belt. It looked like a peacock strutting on the one side of the barrier and a Turkey cock on the other. Indian people have paid for this peacock and money has gone into the making of this peacock. But as regards efficiency, this show need make no difference. If you ask me whom I would choose to be shot by, I would say "The British", and not "The Pathan", because the Pathan is a good shooter—he has been a shooter from his childhood—and I would not like the Pathan to shoot me because I know he would not miss the mark by any chance. The Afghan people do not want to spend money on outward appearances. But they have got the men all the same.

When we got to Dakka they had to check our passports and the luggage for customs, etc. I found the Afghan Commissar there had a Brigadier-General's rank. But then he was in Civil Service. The building in which this officer was, was the only brick-building in that town. It had six or seven rooms, and out of them two rooms were reserved for public affairs. There was a four-legged table and a number of old chairs on either side. When I entered his office, he got up and came towards me and asked me to sit down. The chairs were pretty old, with a number of supports, and I shook one of them in order to be sure that it would sustain my weight. He was talking to me very courteously. His clothes were homewashed, and he did not have anything very wonderful about him, and he was absolutely simple, the same sort of man, as the sentry I came across on the Border. Meantime our bus driver came to take his signature on some papers. The Brigadier offered him a chair. I do not think you will find all this courtesy in British India. Here it is the rank that counts.

I found that the driver addressed him as "Sardar". When he came out, I asked him why he addressed him "Sardar". He said, he was an Amir, that is to say, a member of the Royal Family. So, he was not only a Brigadier but he was also a member of the Royal Family and he was so very courteous and humble.

Then, when I went round the town, I found that there was plenty of food there, for the travellers could procure *kabab* and that kind of stuff. There were signs of plenty everywhere. When I was coming back from Kabul, I found that the roads were very bad having pot-holes in the middle– making us in the bus feel that we were galloping on horse-back. I had to hold on to my seat for dear life. The driver, seeing my plight, remarked, "When we reach Torkam the roads will be beautiful and we can hardly tell whether the bus is moving or not." Just then I saw about 50—60 British empty lorries coming from the other direction. The driver informed me that they were going to Kabul to get 550 tons of wheat to be supplied gratis to the people of India because of the food scarcity prevailing there. Then I said to him: "This is very good indeed. Now, I want to ask you a question. In Afghanistan you have got plenty of food to eat, good buses and bad roads to shake it down. In India, we have got empty stomachs and expensively built roads. Which would you prefer?" "Certainly Afghanistan, every time", was his prompt reply. Now, it is true Afghanistan has no good roads, no railways, but it has good and plentiful food and from the point of view of people's primary needs it is a "developed country" and India is a "backward country". It has been made backward because all its resources have been thrown into things that do not satisfy human wants. We have crores of rupees spent for Military purposes, but not for educational purposes. Therefore, we want to have the betterment of our people as our objective in our plans and not the polished buttons of the soldiers. This is the point of view from which we must approach this question. Often we find that money economy is a thing that blurs our vision. It makes you approach a thing from the wrong end.

Three weeks ago I was at Orissa, and there I found that the number of oil-mills (bullock *ghanis*) that were there at one time, were most of them idle. When I asked why they were not working, I was told: "Where can you get the bullocks? They were all sent to the Military and have been eaten up." Big prices were paid, no doubt, and these poor people were tempted by them. Now, they send the oil-seeds to Cawnpore and get oil from

there for eating purposes. Therefore, values must not be blurred by money economy.

While at Peshawar, I found that at Mardan they had an Egg Grading and Marketing Society. That Society was organised by the Government of India. The purpose was to supply good eggs to Quetta, Ambala, Rawalpindi, etc.—all these Military centres. While drafting a plan for them, I wanted to see whether there were sufficient eggs for export. Pathans, as you know, are a strong hefty race. After you pass Rawalpindi they sell you boiled eggs all along the railway line, just as you get *kelas* this side. When the statistics of eggs were brought to me, I found that the annual production of eggs in the province will hardly be enough for ten days and even then eggs were going out of the province to Amblaa, Quetta and other Military centres. I told the Prime Minister: "Do you know what will happen by this export? Your children will be reduced to skin and bones in a few years to come." An egg is an egg whether a Pathan child eats it, or whether a General has it on his breakfast table. The thing is that an egg stands for its nutritive value, and it should not be exported when there is not enough for all. It is through money economy that Ceylon has been changed from growing food into growing rubber, and it is through money economy that Orissa has lost her bullocks and the Frontier is losing its eggs.

This method of approach to planning came to me as a result of the Bengal Famine. As you know, 30 lakhs of people died in Bengal. I may here refer to a personal thing. It was for writing about this famine a year before it actually came that I was sent to jail. I was sent to jail for telling the people that the country will be visited by terrible famines, and for disclosing the government's policy of inflation. I pointed out that paper money was being pumped into the country and, not only the grains, but the seeds for the next crop, are going out of the country, and warned that the result will be that there will be famines not only next year, but year after year. So, the British Government thought that my statements would affect their war effort and they said, "You remain behind the bars for a while". While in jail, I began to think out as to how we can avoid these famines. Food must be our first care. Then it came to me that we must put the country into "water-tight compartments" for food.

Then again, as I said, we must do it on the basis of food values. The first thing is to start with a balanced diet. In India we have people living on cereals only, and cereals do not provide all that is necessary for the body in

a compact form. If we can arrange our cultivation, so that every village cultivates what is necessary for a balanced diet, we can easily have a balanced diet. In that way we can work out the acreage that is necessary for a particular type of food. Rough calculations based on all-India statistics, which, of course, will differ from place to place, have been given. If we allow 16 ounces of cereals per individual, it means that 65.2 per cent of our land will have to be under cereals. Similarly, if we provide 2 ounces of pulses per head, it means 8 per cent of our land will have to be under that cultivation. A table is given in this book worked out on a basis of a lakh of people. In that way the whole thing is worked out—cereals, pulses, gur, nuts, vegetables, fruits, etc. If a village or contiguous area can grow these things in this proportion, then the people will have their primary wants satisfied and therefore we must aim at growing these things. If a man says, "I have got so many acres of land, I am going to grow tobacco", he has no right to grow tobacco simply because it brings him more money. The land is a social asset, and it has got to be utilised exactly as it is needed for the community. In a society there are many things which we cannot do as we individually would wish. You cannot, for instance, drive on the right side of the road. The ownership in land is yours no doubt, but you have got to have the use of your land marshalled in such a way that it benefits everybody. Therefore, it is suggested in this booklet that a man must take out licences for cultivating certain products. The man who has been licensed to cultivate linseed cannot grow tobacco even if it paid him ten times as much.

Cultivation has to be planned. Accordingly, therefore, we have to start from our stomach. That forms the centre from which our plan should radiate. There is a difference between this plan and the plans of the National Planning Committee and of other bodies which have been started. Those plans start with the resources, *i.e.*, mines, iron and steel, and coal, etc., as if that is the end of our existence. Our country, whatever the reasons may be, is visited by famine from time to time, and the centre of radiation must be our stomachs.

Somebody asked me, "Will you ban textile-mills?" I replied, "No, I will not ban them. I have nothing to do with textile-mills. But when I plan on this basis and in the process thereof, if the textile-mills get parched up, I cannot help it". My object is to keep the production of the villages in the villages as far as people require it; only the surplus will be exchanged with other regions for the stuff that you require. For instance, if cotton is grown in

a particular village, it cannot go to the textile-mill and come back as cloth, for the simple reason that for the process of the change you have got to pay something in the form of export of commodities. If you do not want to part with your food products, you have to convert your cotton into cloth in your spare time. When you do that, you retain the whole production of food, and you also get your clothing. Therefore, you are doubly benefited. Incidentally, the textile-millowners suffer. I am sorry for them but I have got to safeguard the poor villager. Our plan is for the betterment of the villager. And when we start with that thing and we work in that way, then only we shall find that the villagers are self-sufficient in food and clothing.

Money Economy

Now I come to this money economy. I told you a little while ago that money economy blurs our vision. How are we going to prevent that? I am not going to say we shall introduce a barter system. It is a thing that has been part of our ancient culture. There is nothing new in it. Exchange of commodities for commodities is what is called barter. The villagers can get the things they need by this method. What is suggested in this Memorandum is this: In every village, we should have a multi-purpose co-operative society. That multi-purpose society gets the production of this village, and performs on those products certain governmental functions, namely, grading and the like, and also sending into certain areas where such things may be in deficit, and so on.

While that is going on what happens to the farmer? He retains the necessary amount of wheat for his family requirements and the surplus he deposits in the co-operative society and in return he gets the things he requires on the strength of credit he has thus created in the society. Government revenue could also be paid in kind in the same way and not necessarily in cash. Today revenue collections in cash from villagers cause a great hardship.

Money economy does not report true values. The values are changed as money passes from one individual to another. There is a great difference in value between the rupee in the hands of a poor man and a rupee in the hands of a rich man. Such transfers either increase the national wealth or impoverish the nation. Superficially a rupee appears to be a rupee, but in practice it is not so. A rupee in the hand of a poor man may mean 4 or 5 days' food provisions, whereas in the hand of a millionaire, it may represent the value of a cigar. Thus, when a rupee passes

from the hands of a poor man into the hands of a millionaire it loses in value considerably. Therefore, money when it goes from the poor to the rich, it loses in value, but when it goes from the rich to the poor it enhances in value. Hence we have got to see that in our economy we prevent money going into hands where it will lose its value and this is what the multi-purpose co-operative society attempts to do. It will collect the produce from the villager and will pay the government revenue in wheat or other commodities. It will pay government officials on government account in articles of food which will provide a balanced diet and when all this is carried out ultimately there will be only a very small adjustment to make between government and the multi-purpose societies and that also can be done by transfers of surplus between different regions. If that can be done we shall neutralise, I do not say eliminate, the evils of money economy and retain the true value as dictated by commodity value as distinct from money value.

The Political Aspect

Then to come to the question of democracy. India has developed certain ideas of State. India was originally a republic of villages, and each village was a self-sufficient and self-governing unit. All activities in human society present two points of view—the long-range view and the short-range view. Many of us are not capable of taking a long-term view because it means working for years before the fruit of labours can be seen or obtained and men do not like to wait. We are all inclined to take a short-term view: we want to eat, drink and be merry. Ninety-nine out of hundred people take this short-term view. But there are certain matters which have got to be done for the benefit of the whole society and which require long-range view to be taken. This is what democracy does. We require men with long-range view to be at the head of government if government is to succeed and the well-being of the majority is to be achieved. People who take a short-range view are a danger to society. If they be at the head of government, they cause wars. Looked at from this view-point, England and America are anything but democracies. Those countries are under absolute dictatorships. When these countries were faced with the grave danger of war, what was the form of government that prevailed, democracy or dictatorship? Barefaced dictatorship came into being in those countries. That was not merely a coincidence; it was bound to happen. These countries have been using centralised methods of production which means central control which ultimately leads to

dictatorship. You cannot have dictatorship in economics and democracy in politics. Such professions are merely smoke-screens. Democracy in economics must be based on production in villages on individual basis. Of course, irrigation, roads and such other large projects will have to be undertaken and for that purpose you must select people out of the whole lot who have a long-range view. Therefore, all ministers and all government officials should be persons with long-range view. If they talk in terms of money, "Will it pay?", then I must say they are not people of the right sort to hold their present responsible posts. In the long-range view "will it pay?" is not the question. "Does it answer the purpose of the people?" is the question that should be asked. Government is not a commercial institution; it is not an institution for making money or producing bureaucrats. Government is there to serve the people. If it serves the needs of the people it does not matter what it costs; it has got to be done. That is the fundamental principle that we have got to remember. There is a big difference between private economy and public finance in this way; public finance takes a long-range view. While planning for democracy, every citizen is made conscious of the part he has to play in the whole scheme.

Drudgery

It was mentioned by some that if you have decentralised methods it means you are advocating drudgery. I think, there again is a mistake in terms. As a matter of fact there is drudgery in doing one single operation for all the eight hours of the day, all the year round, in a factory. In centralised industries you have drudgery in quintessence. Work in a textile-mill is drudgery where a mill-hand attends to a machine and there is no thinking and therefore there is drudgery.

Drudgery in anything ultimately depends upon the outlook you have—the interest or dislike you take in doing a particular thing. Mother craft is noble and of the greatest value, but it is looked upon as a terrible drudgery in modern times in America. An American woman feels that looking after a child is drudgery. She wants to attend dinner and dance parties and go about fashionably dressed. An "Ayah", a servant, is employed to look after the child, who takes keen interest in the child. She looks upon child-care as her profession. It is not a drudgery for her but it is a play, an amusement. This is the core of Basic Education if I may put it that way. It is this creative part which we are exploiting in Basic Education. That is the fundamental difference between ordinary education as we have

it today and Basic Education. In life, if we do not have that creative element, anything becomes drudgery. A schoolmaster's work is drudgery, unless he is keenly interested in children. So, the question of drudgery is not solved whether you have centralised or decentralised industries. It can be solved by educating people to take an interest in their work—by making them conscious of the social work they are doing for the community at large. Although a man knows that by growing tobacco he will get more money than by growing wheat, he will not feel it a drudgery to grow wheat if he is made conscious that he is doing some social service. That takes away, as it were, the whole sting.

Therefore, in our planning we have got these large issues before us and as I said, whether it be political or economic approach, ultimately we are driven to this conclusion that every man must be put to work in a wholesome way.

Historical Background

I should like here to make a reference to the work of the Charka Sangh, the Gramodyoga Sangh and various other bodies of similar type brought into existence from time to time. As the government of the country has not been quite favourable to us we have had to content ourselves with patch-work only and we could not undertake extensive projects which require governmental Power, machinery and help. In regard to the All-India Village Industries Association many people asked us as to why we did not undertake reform of the basic industry, agriculture, and the answer we gave was that we were not then in a position to take up that problem. Agriculture requires long-range-view functions which can be performed by government and as long as we had the present form of government it was not possible to do that. Therefore we sarted oil *ghanis*, gur production, paper-making, dehusking of rice, grinding flour and so on—you may call these desultory or detached pieces of work. People thought that there was no uniformity, no cohesion in the work of Gramodyoga Sanghas.

The Plans

When we plan with agriculture as the pivot of human economic activity, all the activities mentioned above of the various Sanghas fit into their own sockets. If you raise paddy you have to dehusk it before eating. If you grow wheat you have to grind it into floor. When you produce oil-seeds you need not send them to distant mills but have

them pressed into oil in local *ghanis* and use the oil. That is how the work done by these Sanghas will help us and fit into the new economy.

Fortunately, today we have Congress governments in power and we take it for granted that governmental functions will be performed in the right perspective and when that is done, these bodies may even be dissolved.

I submit, if it is to be a plan for India, the plan must centre round the farmer first and then grow out of it for the whole country. It may be that ultimately we may not be as rich as England or America but we will have sufficient food. England was on the brink of starvation five years ago.

Therefore, self-sufficiency in food and clothing, I submit, should be one of the prime features in any plan for India. If every village cannot be self-sufficient in food and clothing, it is no use having Swaraj. We want to assure to everybody enough food and clothing. And unless we do that, it is no plan for our country The Tata-Birla Plan and others of its like require thousands and thousands of crores of rupees to get them going. For this plan you do not require one pie, because you are not working on a thing which you have not got. You are only rechannelling the people's activity, you are only showing them the right way, you are only regulating their natural activities, and thereby you control the activities of millions of people into desirable lines.

The personnel

One of the primary necessities for doing this is that there should be no self in those in charge. If the self be there, they will exploit the labour of these millions. That is the danger, and therefore it is that when we talk in terms of the Congress Ministries, we say that we want to cut down very many things. The last ministry went down to a salary of Rs. 500 a month. Now their standards have increased, and the salaries have been increased. That means that the self is coming in. There is danger here. We have got to go down to the village standards. We are not to live in palaces. I have seen many palaces in which wealthy people are living, but the villages have no palaces. Only a few weeks ago, before I came here, I had an occasion to meet a missionary in a village about five or six miles from a town. He was living in a big palatial house, like the houses of some of our ministers here, beautifully furnished. And in that jungle of a place he had electricity, he had pumps going up from the well, and so many other modern facilities. He had 300 acres of

land. It was a farm, and about half a mile from that house there were small mud huts for model families to establish themselves, with poultry and a little land to cultivate. The missionary asked me, "We are spending a lot of money here, but we feel that we are not very effective in the villages. We are unable to get at them. Can you give me the *mantra* for it?". I said, "The *mantra* is very simple. You set fire to this palatial house; you must bring this house down. That is the *mantra*. You are coming from Western countries, and you do not know the conditions in India. You always think in terms of money, but the villagers respect us in this clothing. If we have two more patches in our clothes, they respect us all the more. If we do away with the shirt, they follow us, and if we have a dhoti high up as a loin cloth, they prostrate before us. That is the standard of values in our country. You missionaries who come here do not understand the real position. Therefore, if you want to serve our people, you have to get rid of this big palace. If you have built these mud huts for the villagers at a cost of Rs. 250 each, you must build huts for yourself at a cost of Rs. 125 if you want to serve the villagers. If you do that, they will come and listen to you. That is the secret of it. Ours is not a barbarian country We have got a culture of values based not on money. We have got our "Brahminical culture." It is not the sacred thread that is the symbol of Brahminic culture. There may be I. C. S. officers earning thousands of rupees as salary, with their sacred threads on, but they are all *Mlechas*. We have got a standard of Brahminical values. That is the secret of the Mahatma's greatness. If Mahatma Gandhi goes to America, crowds will go to see him; but they will not go in the same spirit as the crowds go in India. Our people have faith in Gandhiji because he is a man without any property, without any self in him. That is what will bring popular ministries into real power. That is what will restore the confidence of the people. If you put this plan before them, they will readily take it. You do not require much money for it."

All that is required is to transform ourselves and get into this line. That alone will bring us Swaraj, economic Swaraj of the type I have been describing. In that Swaraj everyone will have enough to eat. First of all, in a poverty-stricken land, everyone must have food and clothing. That is why we should approach the problem from an agricultural point of view. It is not a question of harnessing the patriotism of people. It is not a question of harnessing the loyalty of people to Gandhiji. It is a question of harnessing not only the Congress Ministries but

every man. Whether you belong to the Congress or to any other party, ultimately you have to solve the problem of food and clothing to everyone.

World Reactions

That is the only way of ensuring peace in the world. We have tremendous hold over China, not because we are manufacturers of atom bombs, but because there are ties between this country and China created by Lord Buddha. That is the sort of culture that we want. We want to be a world power. If so, you must start with this cultural value, and you must plan from the villages upwards. That is the only way of solving not only our own problems but those of the whole world. I would therefore submit that those at the helm of affairs should forsake their self, should forsake their all. They must then put this plan into action for the people. That is the real contribution they can make to our country.

SECTION II.—FORMS OF INDUSTRIES

We come to the question of organisation and method to be followed by industries. What are large-scale industries and what are small-scale industries? How do they function? We have to bear in mind two main principles in economics. These are, concentration of wealth and distribution of wealth. Centralised industries generally act like centrifugal machines. Centralised industries have the function of concentrating wealth in a few hands. Concentration may be either of wealth or of power. The decentralised industries have the natural tendency of distributing wealth. Therefore, if we do not want, in our society, concentration of wealth, then we must take out the centralised industries. What we want is distribution of wealth, especially in a poor country like India. If that is so, we must decentralise the industries by means of which you can distribute wealth.

There is another way of doing it. Russia has done it. They say that they will produce wealth in a concentrated form and then distribute it through government. The danger there lies in the concentration of power, and not in the concentration of wealth as in our country. When you get wealth, the people who have to redistribute it have the power in their hands. Therefore, whether it is concentration of power or concentration of wealth, both are evils. In Russia there is concentration of power, as against concentration of wealth in America and England. India is a poor country where we have got to produce wealth,

and in the process of production of wealth we have to distribute it. So, where we want to produce consumption goods, I would suggest that we put centralised method of production out of court completely.

Place of Centralised Industries

There should be centralised industries only where they can be in the hands of people who will not have any profit motives or who will not concentrate the wealth. We shall have to sterilise the centralised industries of their power of concentrating wealth. How shall we do that? It must be on a service basis. Electricity, transport, communications, post and telegraphs, roads, all these must be on a service basis and must be run by government. If we want motor cars or aeroplanes, they must be produced by government. It may be said that such industries as are run by government are very often wasteful. We must condone a certain amount of waste. Concentration of wealth is much more wasteful. As we know, all these wars are the result of concentration of wealth and power. Look at the huge amount of wealth that has been wasted during the last few years.

We have heard speeches after speeches on the subject of industrialisation. Those who have read the Japanese economic growth during the last 40 years know what has happened in Japan. In the early part of this century, Japan said that she would industrialise the country but that she would not go the way in which the Western countries have gone. Where is Japan today? That is what will happen if there is concentration of wealth and power. I do not blame Japan, America, England or Russia. The evil lies in the fact that there is centralisation of industries. So, if we must have centralised industries, we can have it only where we cannot help it. It is just like a poison. Even poison is some times good. For example, you take quinine. It is a good thing when you take in limited quantities and as prescribed by a doctor. You put a red label to the effect that it is poison, and you take it in small doses. If you want to have centralised industries, that is a poison for the nation. But you may have it with a red label, and take it in small doses as prescribed by the doctor. Otherwise there is danger. Centralised industries are in their very nature anti-social. Therefore, we have got to limit their sphere. How do you limit it? You limit it to cases where society requires their function and the industry itself is of the nature of a monopoly. Take for example, water-supply. We should

let government arrange for water-supply. We have to allocate to government things which require a long-range view.

Costs anl Profits

There are people who talk in terms of cost. They say centralised industries are good because things can be produced cheap. It is not always so. Centralised industries can be used with advantage in the case of public utility concerns, such as Railways, Posts and Telegraphs, Electricity supply, Irrigation, which are by nature monopolistic; there must not be any profit motive, but they should run on a service basis. When the State undertakes these enterprises, the profit motive is eliminated, which an individual has uppermost in his mind.

Private individuals are actuated by profit motive. Higher the cost, lower the profit, and lower the cost, higher the profit. This means you cut down cost in centralised industry. The easiest way to do so is to cut down wages, purchase raw materials at a cheaper price and effect other economic savings in overhead charges. Profit is the main motive power. When you are cutting down wages and the raw materials are purchased cheap, then you make one man who organises the industry rich and the other people poor. Thus unequal distribution of wealth sets in.

This is not so with village industries. There is no question of profit, although prices may be higher. There is a fair return for everybody. This is why we need not worry even though prices under village industries are high and prices under centralised industries are low. All we want to do is to prevent unequal distribution of wealth.

Price Control

It is wrong to treat the large-scale and small-scale industries in the same way. You must understand the nature of the industry before you begin to place controls. Controls are not desirable in every sphere. Where an industry is anti-social it should not be a centralised industry. Thus, the element of being anti-social determines whether the industry should or should not be a large-scale industry.

As observed earlier, centralised industries are good where there are natural monopolies and where much capital is required. For instance, coal mines, railways and ventures of that type require large capital, big labour force—everything on a vast scale and such industries should not be left to private individuals but should be managed by the State.

Democracy in Industries

Textile-mills are anti-democratic because there are thousands of people working under a boss who is an autocrat within his little sphere—the Mill. His word is law, he is the Czar whose word must be obeyed. There should not be a place in democracy for such anti-social elements. Democracy must be pure everywhere. From this political aspect also centralised industries are an evil.

We want a society based on co-operation. Competition means jungle law. We do not want it in our country. Our aim is to bring co-operation, ban competition and you cannot ban competition merely by saying that you will regulate the prices.

Just as a doctor prescribes poison in small doses to cure his patients after careful examination so also we have got to carefully examine each industry and see whether centralisation is good or bad. It is not true that Gandhiji is against machinery. As a general proposition it is quite wrong. What he is against is that man should not become the slave of machine. Man loses control over the machine; and this is the real cause of all strife, of all wars.

Violence and Industries

In text-books on Economics we read so much about the laws of supply and demand, but in the actual world we do not find anything like that. A machine must be worked to its economic productive capacity. To take a concrete example, suppose there is a shoe-making factory. There is a demand for 300 pairs of shoes but the economic productivity of the factory is 500 pairs of shoes. This means that the cost of production to be the lowest, 500 pairs of shoes must be produced, whether there is a demand for them or not. Because the factory-owner is concerned with profits, he will not care for anything else but to see that the cost of production is the lowest per pair of shoes. He will ignore the demand side and produce 500 pairs because the cost of production would be reduced to the minimum and then he will try to find out market outside. Thus man is governed by the speed of the machine and not by the demand. Wars are thus started for capturing markets, creating customers for the surplus products. Production takes place first and demand is then created at the point of the bayonet. It is, therefore, evident that centralised industry is the root cause of wars. It is necessary, therefore, to put a rational limit on centralised industries.

In certain industries like tanning there are certain processes which require large-scale methods to be employed. In such cases I shall certainly say "by all means use them", but not under private management. If chrome tanning is necessary it must be done under multi-purpose co-operative societies on the basis of supplying leather at cost price to the shoemaker. In the same way there may be so many functions which can be undertaken on individualistic or small-scale basis. For instance, a kiln with 1,600° heat cannot be had without much capital and electric power—a centralised process. What I am objecting to is the profit motive. If you want chrome leather for factories and if you want to make profit then I shall say "Ban it". You can use electric power and all other methods functionally, but not for profit. Let it not be a handle to exploit society. I have thus indicated in broad outline the way of approach to decide what should fall under centralised industries and why we advocate decentralised industries.

SECTION III.—THE PLAN

GENERAL OBSERVATIONS

All activities in human society present two view points —the long-range view and the short-range view. The individual is generally obsessed with the immediate benefit he gets. He is not much interested in a programme of work that will bear fruit after his time. He would be prepared to be satisfied with a lower return in the near future than to work for an end that will fructify much later. Therefore, it becomes necessary, in the interests of the whole social group, to detail out certain individuals to attend to the dictates of the long range interests This is the function of a National Government.

Again, certain necessary functions cannot be performed within the limits of the resources available to the common citizen. Such functions also fall to the government whose resources of men and material are immense. Research, experimentation and dissemination of information are such functions which an individual farmer or artisan cannot undertake.

As regards the method of production, there is a general feeling abroad that we can build up the economic condition of the people by introducing large centralised units of production with modern machinery. This is a conception that requires to be examined carefully before we yield to it. Organising economic production means bringing together various factors in the proper manner. The chief of such factors are natural resources, capital equipment and labour.

Under varying conditions varying combinations of these may be called for. In Britain, at the time of the Industrial Revolution, capital was plentiful and so in their method of production capital equipment looms large. In the U. S. A. labour was scarce while natural resources were almost inexhaustible, hence they took to labour-saving devices leading to the advent of machinery. Expansion of such an economic organisation will naturally lead to "saving of labour" or, in other words, creation of unemployment. Hence, in our country, where capital is scarce and labour is plentiful, the methods followed in Great Britain and the U. S. A. will naturally be out of place.

Man himself is a machine of a fine type with this difference that, unlike a mechanical instrument, he has to be kept alive by feeding, whether he works or not. Hence, even if we produce materials for consumption by mechanical aids the people will have to be fed. Therefore, the efficient utilisation of the factors available will indicate extensive use of man-power as the normal method of production in our country. If we fail to adopt this mode we shall be guilty of throwing away the great labour wealth of our country. Such a course can never lead us to prosperity.

The well-being of a nation does not consist merely in the out-put of material production. This production is important only in so far as it enables the people to meet their wants. In the first instance, therefore, we must proceed to organise the people to produce goods to satisfy their own needs, in regard to food materials to afford them an adequate diet, clothing to protect them against the weather and proper shelter, then we should arrange for their physical, mental and moral welfare by making available medical aid, education and other social amenities. Before these elementary needs are fully met, it would be folly to aim at producing goods for the export market. Money in itself satisfies nothing except the miser's pleasure of counting it. Money is not an end in itself. If our organisation is such as to put much money in the hands of the people and yet let them starve for lack of food materials it would stand condemned. Hence, our first care is to see that the people are satisfactorily fed, clothed and housed, and only after these necessities have been adequately provided for can they be allowed to indulge in other production. To direct economic activity into this course is the first duty of any government worth the name.

Apart from the mere satisfaction of the physical needs of the people we should aim at inculcating the spirit of self-help, mutual aid, and a consciousness of social solidarity. When we achieve this end we shall have travelled a long way on the road to Swaraj through self-sufficiency.

Having before us the ingredients of a balanced diet, we should proceed to secure these through the proper laying out of the cultivable land to produce the required materials to feed the population of the province. Only where there happens to be a surplus after the full needs of the local population have been satisfied, should any efforts at sending such products outside the province be countenanced. The marketing department would be a traitor to the province if it helped or aided in the export of materials which are in deficit even to meet the needs of the province. Similarly, steps should be taken to procure all materials needed to put the people of the province gainfully to work.

GOVERNMENTAL FUNCTIONS

PART I.—CULTIVATION, STORAGE, MARKETING, ETC.

All the zeal, talent and resources of the State and the public that have up to the present been directed towards pushing ahead factory products should now be rechannelled into a drive for village sufficiency based on village industries. With determined effort all the handicaps from which villagers suffer at present should be removed as soon as possible and they must be protected against unfair competition from the organised mills. Such a programme may even entail the levying of a prohibitive duty on all factory products as far as consumer goods and prime necessaries are concerned. The following are lines along which action is indicated :—

1. Agriculture

Agricultural production should be regulated and controlled keeping in mind two main considerations : (1) The locality must try to produce all its own food requirements and raw materials for primary necessities of life. (2) It must try to produce raw materials suitable for village industries rather than for factories : for example, instead of growing thick rind sugarcane or long staple cotton, as demanded by the factories, soft rind sugarcane as can be crushed by village "kolhus" for gur-making and short staple cotton as required for hand spinning should be grown. The surplus land can be utilised to supplement crops needed by surrounding districts. Land utilised for sugarcane for the factory, tobacco, jute and other money crops should be reduced to the minimum, or even eliminated altogether. In order to make the farmers adopt this policy, utilisation of land should be regulated by issuing licences by the government authorising the farmer to grow certain crops only according to the plans for the province and heavy dues and extra land revenue should be levied on land used to raise

money crops. This will restrain the farmers' incentive to go in for money crops in preference to food crops. On the whole, prices of agricultural products should be made to compare favourably with those of industrial products by suitable controls.

Commercial crops such as tobacco, jute, sugarcane, etc., are doubly wasteful. They reduce the food production for man as well as for animals which would otherwise have got their fodder from food crops.

Primary products like cereals and milk should not be allowed to be used for commercial purposes for obtaining starch and casein.

The supply of gur which may fall, due to the decline in the cultivation of factory varieties sugarcane, can be made good by the production of gur from palm trees now tapped for toddy or from those which are found or can be grown in waste lands in sufficient numbers as to fully meet our demand in this respect and the best of land, which is under sugarcane today, can be utilised for the production of cereals, fruits and vegetables that the country needs so badly.

2. Irrigation

The need for providing irrigation facilities to all the villages cannot be emphasised too greatly. This is the foundation upon which agriculture depends for its progress, in the absence of which farming becomes a pure gamble. A drive for sinking wells, enlarging and dredging tanks, building canals has to be launched. The power engines used in rice and flour mills now can be acquired by the governments to pump up water from tube wells. No proper manuring can be done without water facilities, as manure in the absence of water is harmful.

3. Manure

Much of the waste of the village, including sweepings, bones, human excreta, etc., that endanger the sanitation of the village at present, could be utilised by making compost manure. This is very easily done and it is as good a manure as cow dung. Bones and oil cakes, which are usually exported out of the country, should not be allowed to leave the villages. The bones must be crushed locally with the help of chunam chakkis, after being charred a little in the chunam bhattis, and the meal distributed amongst the farmers. Manure making in villages may be given out on subsidised contract. This will ensure the cleanliness of the village while raising the status of the sweepers engaged in making compost and manure to the level of traders.

Oil mills, which take away the oil seeds from the villages and give only oil in return, sending the cake abroad, are depriving the land of a valuable form of fertiliser. This must be stopped altogether. This is one of the fundamental reasons why oil seeds should not be allowed to go out of the villages but should be crushed in the local country ghanis. This will retain both the oil and cake in the village and enrich men, cattle and the land.

In the name of increasing the fertility of the soil, great attempts are being made to introduce chemical fertilisers. The experience gained through the use of such chemical fertilisers throughout the world is clear enough to warn us of their inroads. They do not add to the fertility of the soil but act as stimulants or drugs so that the land yields up its fertility resulting in immediate bumper crops, but in the end brings about a corresponding exhaustion of the land. They also destroy a host of earth worms so essential to maintain the fertility of the soil. In the long run, such artificial fertilisers prove to be most injurious to the land. Behind the specious pleading for the chemical fertilisers lies the anxiety of the fertiliser factory owners to push the sale of their products irrespective of the harm or injury they do to agriculture.

4. Land Management

Besides increasing the quantity and quality of manures, the fertility of the soil should be maintained by checking erosion by means of proper drainage, embankments, contour bunding, etc. In the final analysis, fertility of the soil is the fountain head from which springs all nourishment for men and cattle in the form of corn and fodder. If the fertility of the soil is reduced the food produced upon it will be of poor quality and consequently the health of the people will suffer. This is why nutrition experts connect up health with agriculture.

5. Seeds

Selected and improved varieties of seeds are essential for the improvement of agriculture. What is wanted in this regards is the machinery for effective distribution of seeds. There can be no better medium for this than co-operative societies, which run seed farms under able research workers.

6. Research

All research in agriculture should be directed towards improving food crops as well as raw materials for village industries rather than encourage the growth

of money crops, like tobacco, and raw materials for factories, like thick rind sugarcane and long staple cotton.

7. Balanced Cultivation for Self-sufficiency

The food question which has assumed serious proportions now, does not promise an immediate solution. The problem is twofold. Immediately, there is a calories shortage and there is also the long-standing shortage of protective foods. The first problem may find a solution but the second one is going to present difficulties.

It is ordinarily presumed that an acre of land provides more calories through the production of grains than through any other food. But, apart from the question of calories, the grains are very poor suppliers of protective food factors. Therefore, if we aim at getting these factors from cereals only, huge quantities of grains will be required. On the other hand, if the grains are substituted and supplemented by foods like fruits and vegetables, milk and its products, gur, nuts and oil seeds, etc., the protective food factors required to make up a balanced diet may be obtained through lesser quantities of these types of food than through grains alone. Even the supply of calories per acre is greater in the case of gur and of the root vegetables like potato than in the case of cereal grains. Thus, a balanced diet may be a double blessing and may offer the solution to our problem. It reduces the per capita requirement of land and at the same time, it supplies the body with all its requirements in their correct proportions so as to keep it fit and healthy. It is calculated that the per capita land available in India at present for food cultivation comes to about 0.7 acre. This very land, which is found to be too inadequate to meet our requirements in food according to the present distribution of cultivation, becomes sufficient in the re-ordered system of agriculture. In this manner the land of the locality should be so distributed for the purpose of growing crops as to provide its population with all the needed materials for a balanced diet, clothing and all primary necessities. This aspect of the question should be thoroughly investigated and a definite plan chalked out and enforced by licensing farmers to grow only certain crops on their lands. The table overleaf shows land distribution for balanced cultivation for a population of one lakh. This table provides for a balanced vegetarian diet yielding 2,860 calories per day for the average person and allows for the growing of cotton for 25 yards of cloth per annum per head. For non-vegetarian diet 6 ozs. of milk may be substituted by 4 ozs. of meat or fish and one egg.

Distribution of cultivation per lakh of population.

	Ozs. per day	Calories	Lbs. per annum	Per lakh of population: Land required (in acres)	For seed and waste 15% extra	Total	Percentage land distribution
I Diet.							
Cereals ..	16	1,600	365.00	43,400	6,510	49,910	65.2
Pulses ..	2	200	45.60	5,400	810	6,210	8.0
Gur ..	2	200	45.60	1,200	180	1,380	1.8
Nuts ..	1	145	22.80	2,600	290	2,990	8.4
Oil ..	½	..	11.40	3,000	450	3,450	
Ghee ..	½	255	11.40	..	..	..	..
Milk ..	12	240	273.75	..	..	..	..
Vegetables ..	8	48	182.50	1,600	240	1,840	2.4
Potatoes, Tubers.	4	100	91.25	1,000	150	1,150	1·5
Fruits ..	4	52	91.25	900	135	1,035	1.5
II Cotton ..	..	..	12,50	7,500	1,125	8,625	11.3
Total ..		2,860	..	66,600	9,990	76,590	100.0

8. Grain Storage

If storage arrangements are made locally all the waste through bad storage, loss by insects, etc., and conveyance charges will be eliminated. Enormous loss of grain occurs through bad storage alone. Such loss is estimated on a conservative basis to be about 3.5 million tons, an amount equal to the declared deficit of grains in India during the current year. The qualitative loss caused by insects, rodents, dampness, etc., all caused by bad storage arrangements resulting in all kinds of diseases, is equally enormous. The storage problem is both an urgent and a permanent one and should be tackled in all earnestness and seriousness. In any case, holding stocks in ill-protected godowns, as at present, should be stopped.

Big towns and cities, where proportionately larger stocks of grain are to be held, can build pucca cement godowns after the model of the godowns at Muzaffarnagar, U. P. These can be built either by the municipality or by private people to be rented out for grain storage. These godowns should be licensed and subjected to periodical inspection, like the boilers are at present.

If the stocks are held in the villages where they are produced and all their movements to town and back to villages are eliminated, the chances of their getting damaged are,

of course, reduced. Local storage will go a long way towards eradicating black-marketing and is likely to stabilise prices besides removing much of the inconvenience caused to villages in obtaining rations from cities.

Individual holders of stock also should be educated in the methods for the preservation of grain.

9. Conservation of Raw Materials in the Villages

The greatest handicap from which village industries suffer is the utter resourcelessness of the artisan. Being unorganised he is unable to stand against the competition from his resourceful and organised rivals—the mills. With all the resources at their command, the mills practically monopolise the raw materials and corner the market even for the finished products, leaving the isolated artisans utterly helpless. The financial policy of the banks, discriminative railway freight rates and the capitalistic marketing organisation, all favour the working of large production to the exclusion of the artisans. The artisans are left with hardly any raw materials in the villages. This process needs to be reversed. All raw materials produced in the villages should be conserved and consumed in their place or production and only the surplus that remains after satisfying local needs should be allowed to be sent out. Production should be directed towards raw materials needed by village industries rather than towards those required by factories.

10. Freights and Priorities

At present priority and discriminative freight rates are granted to factory materials. The village industries articles such as hand-made paper, equipment for village industries, vegetable oil lamps, etc., are not given a look in on the railways. This causes severe bottle-necks in the industries concerned. This policy of the railways had played no small part in checking the progress and spread of the village industries, which promised to flourish under the conditions prevailing during the war. As in all other matters, the policy in this too should be changed in favour of village producers. Railway priority for the transport of goods and equipment of village industries should be granted. Village-made articles must be exempted from impositions such as terminal taxes, municipal duties, etc.

11. Supply of Tools and Implements

Tools and implements of village industries are not generally of uniform efficiency throughout the land and often even in one province. Research should be directed towards devising suitable instruments.

There is need for an organisation for the regular supply of equipment and spare parts to village artisans.

12. District Demonstration Centres

Demonstration Centres should be located in rural areas. Their functions should be as follows: (1) To manufacture and supply implements and tools to village artisans and to introduce improved implements in place of old type ones. (2) To train carpenters and other artisans and to teach them the latest methods introduced into the various industries. (3) To collect tools and exhibits of local art into a kind of museum. (4) To carry on industrial and health surveys in the district. (5) To work in co-ordination with the local co-operative societies and the Hindustani Talimi School for the general uplift of the villages.

13. Provincial Training Centres

There should be a Provincial Training Centre, preferably on linguistic basis, to carry on the following functions:—

(1) To carry on research in conjunction with the district demonstration centres in the technique and process of village industries of the province. (2) To prepare literature on village industries in the local languages. (3) To hold village industries exhibitions. (4) To run a workshop for the supply of such tools and implements as bullock driven flour chakkis, paddy separators, sugar centrifugal machines, beater, digester, calender, screw press, filter press, etc., which cannot be manufactured in the district centres. (5) To train Gram Sevaks, staff for the district demonstration centres as well as for co-operative societies.

[NOTE.—The staff to be employed in the demonstration centres and the co-operative societies may be paid by the State. There may, however, be independent Gram Sevaks who may want to earn their own livelihood by carrying on any of the village industries, for whom various schemes can be formulated. For instance, such Gram Sevaks can be given interest-free loans for the purchase of equipment and live-stock, etc., repayable by easy monthly instalments and a certain amount of grant for a period, of say three years, to help them to establish themselves in the initial stages. They can look to the co-operative societies for stocks of raw materials needed for their industries and for the disposal of their finished goods.]

14. Co-operative Societies

Co-operative societies are ideally suited organisations, not only for developing village industries, but also for

promoting group efforts by the villagers. A multipurpose village society can be very useful in a variety of ways such as: (1) Stocking of raw materials for industries and foodgrains needed by the village people. (2) Marketing of surplus village products and distributing the requirements of the people. (3) Supply and distribution of seeds, improved implements and tools, manures, such as bone-meal, flesh, and fish manure, oilcakes, green manure, seeds, etc. (4) To maintain a common stud bull for the area. (5) To stand between the government and the people in the matter of collection and payment of taxes, etc.

Much of the wastage caused to foodgrains in transport and handling and the expenses of collecting foodgrains to a central place and redistributing them again to the village can be eliminated through the agency of a co-operative society which can be a very reliable medium both from the government as well as the public point of view. If stocks of grain are held by co-operative societies in villages, the remuneration also of local officials can be conveniently paid partly in kind. This will facilitate the much desired system of collecting revenue also in kind.

PART II—VILLAGE INDUSTRIES

1. Paddy-husking

(1) All rice mills should be disbanded as in Travancore and the engines can be used for irrigation purposes as already suggested.

(2) All the hullers used for polishing rice should be banned.

(3) People should be educated about the better nutritive value of whole unpolished rice and about the method of cooking it by practical demonstration. Polishing of rice should be prohibited or its degree of polishing should be very strictly controlled, or par boiling of rice should be encouraged.

(4) Where Paddy Husking Industry is carried on on an industrial scale for business purposes in the case of predominantly paddy growing areas costly equipment such as paddy separators, winnowners, etc., should be supplied on hire to a group of artisans through their co-operative society.

(5) In view of the fact that the use of unpolished rice is to be advocated and popularised, the movement of paddy from one place to another will become necessary and in order that the freight on the extra weight of the paddy may not enhance the price of rice, the freight charges on paddy should be favourably adjusted.

(6) In areas where the implements for dehusking paddy and polishing rice are not separate, but both the processes are combined into one of pounding paddy the resultant product is the polished rice. In such cases dehusking implements, *i.e.*, chakkis either of wood, stone or mud, should be introduced to restrict polishing of rice. Such implements can even be supplied along with the equipment for other industries through the district demonstration centres. The use of rice polishing implements should be discouraged and even a tax may be levied on them to restrict their number. The degree of polishing rice under these licensed polishing implements should also be supervised and controlled. Paddy and other grains and seeds required by the village should be stocked in the village itself and only the surplus should be sent out. The best agency for all such activities can be the multipurpose co-operative society.

2. Flour-grinding

(1) Good quality stones for hand chakkis and equipments for the bullock and water driven chakkis should be made available through the demonstration centres.

(2) The production and use of fine white flour (maida) should be banned.

(3) Large flour mills which grind huge quantities of grain and hold stocks of flour for a long period cause such flour to deteriorate thereby. Therefore, they should be discouraged.

(4) Bullock driven flour chakkis should be introduced wherever possible.

(5) Wherever facilities for water power are available, as in the case of running water of a river or a canal, water driven flour chakkis can be set up.

Such chakkis may be owned co-operatively by the villagers, as in the Punjab.

3. Oil-pressing

The main difficulties in resuscitating the village Ghani and the following:—

(1) Lack of regular supply of oil-seeds. The villages are practically denuded of the oil-seeds at the harvest time. This state of affairs should be changed. Only surplus oil-seeds should be allowed to go out of the village. The prices of the oil-seeds should be so arranged that the oil mills have always to bear the extra cart hire over the cost to the Ghani men, that is, there should always be a difference in the prices of oil-seeds in the villages and at the mill-godowns by an amount equal to the cart hire.

(2) Inefficiency of local Ghanis, lack of trained personnel, etc.

At some places the local Ghanis are so inefficient and small that it is well nigh impossible to make them a practical proposition. Even in a single province there are numerous types of Ghanis. A detailed survey of the working of all such Ghanis should be carried out. The working and advantages of improved Ghanis should be demonstrated.

There is at present a great dearth of Ghani carpenters even of the old type. Oilmen find it very hard to get their timely service. Their difficulty of getting equipment and spare parts is equally great. Training should be given to oilmen and carpenters in the technique of the improved Ghanis at centres which will also provide the necessary equipment and spare parts. These centres will be helpful in promoting co-operative societies of oilmen residing in a tahsil and in supervising their work. Such Tahsil Co-operative Societies of oilmen or the multipurpose village societies will be the best medium for stocking oil-seeds, controlling the prices of seeds, oil and cake, eliminating adulteration, etc.

(3) "Vegetable ghee" should be heavily taxed and it should be compulsorily coloured so as to be easily distinguished from animal ghee. "Vegetable ghee", being a poor substitute both for animal ghee and for fresh Ghani oil, should not be given any encouragement at all. In fact, its very deceptive name should be altered. The use of this product should be restricted to the minimum.

(4) Power-driven, large scale oil mills are not meant to promote the self-sufficiency of villages. They claim to supply cheap oil to the people but in fact their cheapness is due to cornering the oil seeds market with the help of their great financial resources. They deprive the village cattle and the land of a valuable product, namely, oil cake by exporting it to foreign markets. The oil mills are thus detrimental to the interests of the villages and should be looked upon as an obstacle in the way of village uplift. A heavy licence fee should be levied on all oil mills, and mill oil brought into villages should be taxed by the village committees so as to regulate the price. If any oil is found to be rancid, its use should be completely prohibited.

4. Gur-making

This industry represents the positive aspect of prohibition and so must be introduced, wherever prohibition is launched upon, to save distress from unemployment among tappers.

Gur making from palms is being done on a commercial scale in Bengal and Madras where the industry has been well established. When it is sought to introduce in other provinces, it will have to be encouraged at the initial stages, both by the governments and the public, by way of subsidies, purchase of gur, etc.

1. *Excise exemption—free tapping.*—Both in dry and wet areas tapping of all the sugar yielding palms (coconut, date, palmyra and sago palms) should be permitted without any licence and without payment of any tax or levy whatsoever (tree tax, licence fee, supervision charges, etc.) for drawing nira (unfermented sweet juice) for the purpose of manufacturing gur or sugar on the simple condition that nira is drawn and possessed or consumed in unfermented form. The industry cannot spread or progress unless this basic concession of free access to raw material is extended to it by the provincial governments. Similarly, production, possession, sale or transport of palm gur and sugar should be allowed on the same basis as cane gur.

Moderate rent, fixed by government, may be charged per tree.

Free collection of light fuel from government forests should be allowed for making gur.

2. *Grading.*—Facilities for grading palm gur and sugar should be provided in the rural tracts as introduced in the Bombay province for agricultural commodities by the Imperial Institute of Agricultural Research.

3. *Preservation and Planting of more Palms.*—Felling of palm trees should be prohibited. Government owned waste land unsuited for agricultural purposes should be utilised for raising palms so as to be sufficient to replace cane gur and sugar by palm gur in due course. Also cultivation of palm on similar private lands and field bunds should be subsidised. Adequate supply of seedlings should be arranged and proper methods of cultivation should be taught.

4. *Co-operative Societies.*—Co-operative Societies should take up the production and market the produce. They should also supply, where needed, equipment such as pans and centrifugal machines on hire.

5. Bee-keeping

Bee-keeping is doubly useful. It enables better fertilisation of the crops giving the farmers a better yield and at the same time provides honey, a nutritious article of diet.

The district demonstration centres can keep a few colonies of honey bees and the work can be extended in other villages where bee pasturage is available. A preliminary survey of the area by an expert in bee-keeping will be necessary for this purpose. Once the centre is able to domesticate the bees it can provide facilities for agriculturists to receive training and to obtain the necessary equipments at moderate rates.

6. Cotton and Wool

In provinces where cotton can be grown adequate lands must be assigned for growing at least 12½ lbs. of lint per head of the population and its spinning and weaving should be organised on the lines indicated by the programme of work followed by the All-India Spinners Association.

Similarly, in sheep rearing areas production of woollen goods should be encouraged by aids to sheep breeding, grading of wool, etc.

7. Leather Tanning

Export of raw hides and skins from India are amongst the largest in the world. If we can convert all this raw material into leather ourselves we shall be providing occupation to millions of Harijans. Time being of the essence of tanning much finance is needed. Hence the work must be done co-operatively. Societies should purchase the hides, etc., and pay piece-work wages on various processes and market the goods either as finished leather or as manufactured articles.

(1) Leather is being tanned in all provinces, but all are not of equally good quality. Calcutta chrome and Madras "Gavi" which are considered to be of standard quality are not attempted elsewhere. Other varieties are far inferior to these two. The reasons for this should be found out and the same standard of tanning should be introduced everywhere.

(2) Export of raw hides and skins should be discouraged by levying a very heavy duty on the export of raw hides and skins.

(3) A cart for carrying the carcasses should be supplied at nominal cost to a group of chamars. At present, for want of such conveyance, the carcasses are dragged on the ground. It is estimated that this process reduces the value of the leather by about 50 per cent.

(4) The circumstances under which the industry is now carried on are very unhygienic and demands a complete change. This can be brought about if proper arrangements

are made at a site a little away from dwelling places, for building sheds, pits, drainage, supply of water, etc., and if the processes which are unhygienic be carried out by simple machinery. If this involves a transformation of the scattered chamar families into a central tannery for a tahsil or a district, the change may be for the better. Such tanneries should be owned and managed by co-operative societies only of the chamars.

(5) At present, there are a few selected places where leather manufactured goods are produced on very big scale and distributed over the whole country. This system must be discouraged and local manufacture of practically all the leather goods, such as foot-wear, money purses, suitcases, and even mill gin stores should be encouraged; either the local manufacture may be subsidised or the imports taxed.

Subsidies should be given to individual contractors or co-operative societies for the preparation of manure from blood, flesh and bones from the carcasses. The subsidy should be in proportion to the output of manure.

(6) Glue, guts, brushes, and other byeproducts can also be prepared by these societies. The horn industry can be profitably introduced among chamar families. It should be encouraged by subsidy for some-time and by the purchase of the finished products by the government for its use. The necessary equipment should, of course, be supplied on hire.

8. Soap-making and Lighting

(1) A survey of deposits of sajji matti and the non-edible oils should be carried out and both these should be utilised for soap manufacture in villages. And wherever such deposits of sajji matti are found, soap makers should be allowed to collect them without any tax or royalty being demanded of them. Incidentally, it may be observed, that the removal of this deposit improves the quality of the land.

(2) The non-edible oils as neem, karanji, candle nut, pardi, mahua, rayan, etc., which are very little used at present, should be utilised also for lighting purposes.

(3) Every effort should be directed towards making the villages self-sufficient in lighting. From this point of view all the mill articles and imported stuff like kerosene and foreign lanterns should be heavily taxed so as to make them unable to compete with village made articles.

(4) Vegetable oil lamps, like the "Magandipa" devised by the A .I. V. I. A., can be distributed from the

demonstration centres along with other equipments, and the local artisans should also be encouraged to produce them.

9. Paper Making

(1) The provincial governments should start hand-made paper industry in the jails where the required raw materials are available in the vicinity. For this purpose a survey of the local raw materials needed for paper making should be carried out by an expert.

(2) All the chemicals required for paper making should be made available to the hand-made paper production centres at controlled rates.

(3) One central workshop should be maintained in common with other industries for making the required machinery such as beater, callender, moulds, screw press, envelopes making machine, etc.

(4) Supply of raw materials and equipments to paper makers :—

Paper makers should be encouraged by supplying them with the latest type of equipments such as hollander beater, callender machine, screw press, etc., either on hire or on the hire-purchase system through the co-operative societies. These societies may also supply pulp where such pulp calls for power-driven machinery for its making.

Such raw materials as office records, waste paper and grasses available in the government forests useful for paper making, which are auctioned at present to the highest bidder, should be reserved for hand-made paper producing centres and should be supplied to them through their co-operative societies at moderate rates. Similarly, the finished products prepared by the centres should be purchased by the government for their stationery and office record purposes, and through the co-operative societies at such prices as will leave the paper makers in a position to maintain a reasonable standard of life.

(5) *Training.*—The required expert staff for hand-made paper producing centres can be trained at the provincial training centres.

(6) Priority should be given by the railways for the transport of hand-made paper and its equipments. Hand-made paper should be exempted from terminal and octroi duties.

10. Pottery

(1) The first requisite of the pottery industry is the analysis of the available clay in the province.

(2) Clay mixing is an art requiring considerable knowledge of chemistry. Hence it should be done in a central place like a co-operative society, or a jail, and the mixed clay should be distributed to individual potters. Alternatively, the existing potters should be taught the art of clay making, if possible, by giving them a set of formulas for particular types of clay.

(3) As in the case of other industries, the co-operative societies can be the agency for the distribution of clay as well as the improved potters' wheel on hire.

(4) The glazing and firing of particular types of pots will have to be done again co-operatively. Both the processes of clay-mixing and firing and glazing should be done on a service basis or co-operatively by the potters themselves. Pots, which do not require very high temperature firing, and which are ordinarily done at present in the villages by groups of potters, can be fired better by introducing improved furnaces in place of temporary ones. Properly constructed furnaces will also reduce the consumption of fuel. We have already referred to the necessity of supplying cheap fuel from the jungles for all village industries.

The big furnaces required for brick-tiles-firing should also be co-operatively organised. The shape and strength of bricks and tiles should be improved.

(5) Facilities should be provided for potters to receive short-term training in all the processes, such as clay-mixing and improved modelling, firing and glazing, at some convenient place.

11. Sanitation and Manure

(1) What forms should the latrines take in the villages should be found out after alternative methods have been tried out. It may be that more than one type may be found suitable and necessary. Experiments must be made in regard to types of latrines, etc., to keep the villages in a sanitary condition. Bore-hole urinals should be installed in suitable places in the villages.

(2) Subsidies should be given to individual contractors for converting human excreta and all the dirt of the village into compost manure. The subsidy being proportionate to the amount of manure produced and should be such as to attract individuals to this job. Unless it is made a

profitable business proposition, it is not likely to be attractive. The grant or subsidy, at least for some years, is essential to make it attractive.

(3) The custom of housing cattle inside the village and, often in the dwelling places themselves, requires attention from the point of view of village sanitation. Though this is a long-term problem, the sanitation of the village is difficult to maintain without proper provision for stables and mangers.

Wherever new extension of a town or village has to be made, the cattle housing should be provided for in a place a little away from the dwellings. Sanitation of the village is one of the main considerations that weighs with some who advocate common dairies of the villages, instead of individually owned and kept cattle.

12. Cattle-breeding

The government should undertake cattle-breeding farms on much wider scale. In every province where there are special breeds suited to the place, these should be preserved and improved. Where necessary the maintenance of studbulls may be subsidised. Generally the work may be done on lines followed by the Goseva Sangh, Wardha, Central Provinces.

13. Roads

All roads meant for motor traffic in villages should be tarred and the cost must be borne by the motor owners. The licence and taxes on motor vehicles and on petrol should be so regulated as to make motor owners bear the entire cost to Government for building and maintenance of such roads. Motor vehicles should not be allowed, except with special permit, on untarred roads.

14. Forests

The government will have to radically revise their policy of maintaining forests. Forest management should be guided, not by considerations of revenue but by the needs of the people. Forest produce such as timber, lac, etc., should be supplied in useable form. The wood should be seasoned in the forests. Forest planning must be based on the requirements of the villagers around. Forests should be divided into two main classes: (1) those supplying timber to be planned from the long range point of view, and (2) these supplying fuel and grasses, to be made available to the public either free of cost or at nominal rates. There are village industries such as palm gur, paper making, pottery, etc., which can flourish only if fuel or grass are supplied to them at cheap rates.

SECTION IV.—MINISTERS' CONFERENCE RESOLUTION

Having considered the policy that should govern the economic development to be initiated by Popular Ministries, this Conference of Ministers, assembled from various provinces at Poona, hereby resolves—

(1) That, in view of the acute scarcity prevailing in the country, with respect to primary requirements of the people, especially food and clothing, plans for economic development should centre round the farmer and agriculture, and should be motivated with the object of providing a balanced diet, adequate clothing and other articles of primary human need, for every citizen in the land; and that for this purpose, steps have to be taken to ensure that the land available for cultivation is distributed by proper regulation such as licensing between various crops needed by the community and in the required proportion:

(2) that, in order to achieve real democracy, it is necessary to organize contiguous areas—villages or a group of villages—on a self-sufficient and self-governing basis, through multi-ple-purpose co-operative societies and grain banks which will plan their economic life on a decentralized basis, reducing the need for money economy to a minimum, and restricting external trade to proved surpluses.

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